

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD JUNE 2, 2011 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 p.m.

CONDUCTING: Mayor W. Dean Howard

ROLL CALL: Councilmembers Martin L. Felix, Paul C. James, Thomas C. LaBau, Stephanie Miller, and Craig Rasmussen present.

CALL TO ORDER: There being five members present and five members representing a quorum, Mayor Howard called the meeting to order.

OTHERS PRESENT: City Administrator D. Brent Jensen, City Treasurer Todd Perkins, and one citizen. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Howard welcomed everyone in attendance.

PLEDGE OF ALLEGIANCE: City Administrator D. Brent Jensen led the governing body and the citizens in the Pledge of Allegiance.

INVOCATION: Mayor W. Dean Howard

APPROVAL OF MINUTES:

Councilmember Rasmussen said he was not in attendance at the May 19, 2011 City Council Meeting. He recommended amending the minutes by listing him as excused and changing all of the motions from "all five councilmembers" to "all four councilmembers present".

ACTION Councilmember LaBau made a motion to approve the minutes of May 19, 2011 with the above amendments. Councilmember Felix seconded the motion and all five councilmembers voted aye.

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was faxed to The Herald Journal, mailed to each member of the governing body, and posted at the Civic Center more than forty-eight hours before meeting time.

ACTION Councilmember James made a motion to approve the agenda for June 2, 2011 as written. Councilmember Miller seconded the motion and all five councilmembers voted aye.

8. PUBLIC HEARING:
 - A. Adjustments to the 2010-2011 General and Enterprise Operating Budgets.
 - B. The adoption of fiscal 2011-2012 operating budgets, for the General Fund, Debt Service Fund, Capital Projects Fund, Culinary Water Fund, Sewer Fund, Electric Fund, Irrigation Water Fund, Storm Water Fund, and Library Trust Fund.
 - C. The proposed transfer of \$50,000 from the water utility and \$200,000 from the electric utility to the General Fund during fiscal 2011-2012.
 - D. Setting the Municipal Tax Rate for 2011-2012. No property tax rate increase is proposed.
9. OTHER BUSINESS:
 - A. Mayor and City Council reports.
10. ADJOURNMENT

PUBLIC HEARING:

ADJUSTMENTS TO THE 2010-2011 GENERAL AND ENTERPRISE OPERATING BUDGETS; THE ADOPTION OF FISCAL 2011-2012 OPERATING BUDGETS, FOR THE GENERAL FUND, DEBT SERVICE FUND, CAPITAL PROJECTS FUND, CULINARY WATER FUND, SEWER FUND, ELECTRIC FUND, IRRIGATION WATER FUND, STORM WATER FUND, AND LIBRARY TRUST FUND; THE PROPOSED TRANSFER OF \$50,000 FROM THE WATER UTILITY AND \$200,000 FROM THE ELECTRIC UTILITY TO THE GENERAL FUND DURING FISCAL 2011-2012; AND SETTING THE MUNICIPAL TAX RATE FOR 2011-2012.

Mayor Howard presented a power point presentation of the 2011-2012 Operating Budgets proposal. The presentation included pictures of the current fiscal year's projects and proposed projects for the coming year. The 2011-2012 budget does not include any increases in property tax rates, utility rates, or employee salaries.

ACTION Councilmember LaBau made a motion to open the public hearing at 7:25 p.m. Councilmember Felix seconded the motion and all five councilmembers voted aye.

Mayor Howard asked for public comment.

City Treasurer Todd Perkins said the Notice of Transfers that was mailed to the utility users in April and May of 2011 stated the City was proposing a transfer of \$116,000 from the water utility and \$116,000 from the electric utility to the General Fund during fiscal 2011-2012, however, these amounts were not correct. The Public Hearing Notice published in the Herald Journal on May 22,

2011 was correct. The notice included the proposed transfer of \$50,000 from the water utility and \$200,000 from the electric utility to the General Fund during fiscal 2011-2012. The major adjustments to the 2010-2011 budget were as follows: increased general sales tax \$132,000 because of Ruby Pipeline; increased grants \$197,600 for funds received to purchase new fire engine; decreased court fines by \$30,000; increased fire department expenditures by \$230,000 for new fire truck; increased park expenditures by \$113,500 for engineering and construction of Salt Hollow Park; decreased water meter sales by \$200,000 due to reduced usage by E.A. Millers; and miscellaneous electric revenue increased by \$100,000 due to a refund from cancelation of next phase of IPP Power.

Jim Huska said he is a resident of Elk Mountain P.U.D. and wanted to know why the City transfers money from Enterprise Funds into the General Fund. The City shouldn't be in the business to make large profits through excessive utility rates. Utility fees should be used to maintain that specific utility and taxes should be used for General Fund services.

Mayor Howard said State Law has specific restrictions on the amount a City can increase its property tax rate. The City would never be able to raise enough revenue through taxes to cover the services provided by the General Fund. The City does not collect property taxes from schools, churches, and utility customers outside city limits, but the City still has to provide General Fund services to them. Utility transfers help pay for General Fund services, because every business, school, church, residence, etc. pays for utilities.

There being no further comments, Mayor Howard recommended closing the public hearing.

ACTION **Councilmember James made a motion to close the public hearing at 7:33 p.m. Councilmember LaBau seconded the motion and all five councilmembers voted aye.**

OTHER BUSINESS:

MAYOR AND CITY COUNCIL REPORTS.

Councilmember LaBau said the Mosquito Abatement District has been applying larvacide in ponds and areas with standing water. There is going to be a higher amount of mosquitoes this year due to the amount of rain this spring.

Councilmember Miller said the Youth Council distributed and hung-up the 4th of July posters at various locations through out Hyrum and Logan. She is working with the Saddle Club on arrangements for the Star Spangled Rodeo being held on June 24 and 25.

ADJOURNMENT:

**ACTION There being no further business before the City
 Council, the Council Meeting adjourned at 7:45 p.m.**

W. Dean Howard
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: June 16, 2011
 As written